

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 28, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 06OD-020

Oahu

Mutual Cancellation of Revocable Permit S-3835 to Tennent Art Foundation and
Issuance of a Revocable Permit to Hawaii Preparatory Academy; Auwaiolimu,
Honolulu, Oahu, TMK (1) 2-2-003:094.

APPLICANT:

Hawaii Preparatory Academy, a domestic non-profit corporation, whose business and
mailing address is 65-1692 Kohala Mountain Road, Kamuela, Hawaii 96743-8476.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Auwaiolimu, Honolulu, Oahu, identified by
Tax Map Key: (1) 2-2-003:094, as shown on the attached map labeled Exhibit A.

AREA:

3,846 square feet, more or less.

ZONING:

State Land Use District: Urban
County of Honolulu CZO: Residential (R-3.5)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES ____ NO X

CURRENT USE STATUS:

Encumbered by Revocable Permit No. S-3835 to Tennent Art Foundation,
commencing from March 1, 1966, for cultural purposes.

CHARACTER OF USE (New Revocable Permit):

Access and parking purposes.

COMMENCEMENT DATE:

On the first of the month, and immediately following the expiration of Revocable
Permit No. S-3835, to be determined by the Chairperson.

MONTHLY RENTAL:

To be determined by staff appraiser, subject to review and approval by the
Chairperson.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact
Statement Exemption List", approved by the Environmental Council and dated April
28, 1986, the subject request is exempt from the preparation of an environmental
assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or
maintenance of existing structures, facilities, equipment or topographical features,
involving negligible or no expansion or change of use beyond that previously
existing."

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO ____
Registered business name confirmed:	YES <u>X</u>	NO ____
Applicant in good standing confirmed:	YES <u>X</u>	NO ____

REMARKS:

The Tennent Art Foundation utilized the subject property under Revocable Permit No. S-3835 (RP3835) for access and parking for their art gallery situated on their two adjacent lots, located at 245 Madeira Street and 203 Prospect Street on the slopes of Punchbowl with Tax Map Keys: (1) 2-2-03:75 and 76, respectively (refer to Exhibits "A" and "B").

In December 2005, the Tennent Art Foundation was involuntarily dissolved by the Department of Commerce and Consumer Affairs, initiating the transfer of its assets to the Hawaii Preparatory Academy (HPA), a nonprofit corporation that runs a private boarding school on the Big Island serving grades K to 12, as well as the "Isaacs Art Center", which includes an art gallery and museum. HPA has since been managing the former Tennent Art Foundation's art gallery on Oahu and is requesting the mutual cancellation of RP3835, and issuance of a new revocable permit to HPA for access and parking purposes (see Exhibit "C").

HPA has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions. The Applicant has also provided documentation on their IRS 501 (c)(3) non-profit status, and stated that fees are not charged for the general public to view the art gallery.

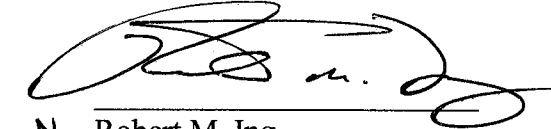
Comments from other agencies and community groups are not deemed necessary because the use of the subject property will remain the same.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to Hawaii Preparatory Academy covering the subject area for access and parking purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - b. Review and approval by the Department of the Attorney General; and

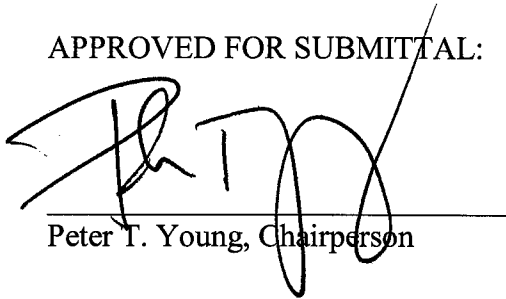
- c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

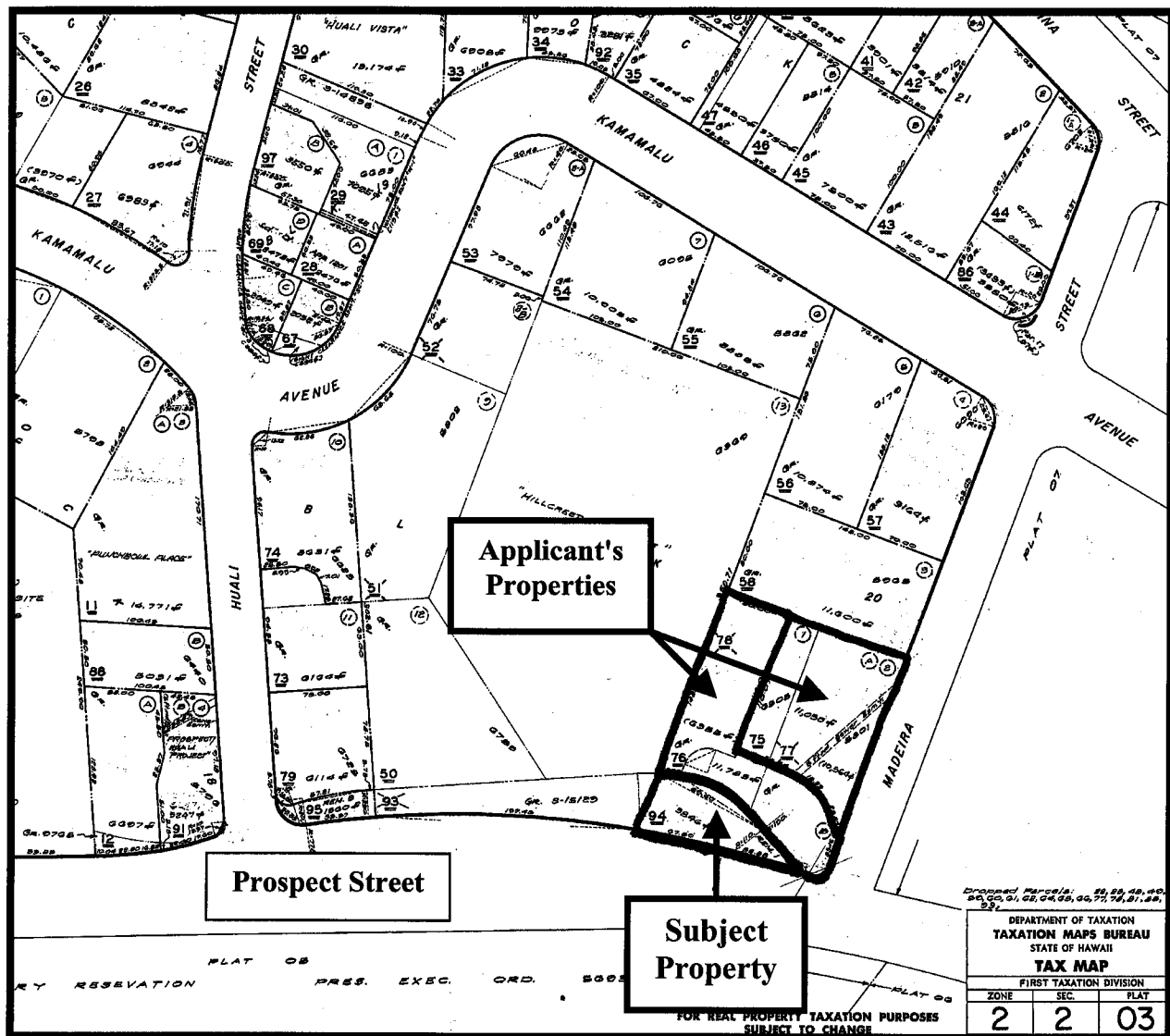
A handwritten signature in black ink, appearing to read "R. M. Ing", written over a horizontal line.

Robert M. Ing,
Land Agent

APPROVED FOR SUBMITTAL:

A handwritten signature in black ink, appearing to read "Peter T. Young", written over a horizontal line.

Peter T. Young, Chairperson



Revocable Permit to Hawaii Preparatory Academy
TMK: (1) 2-2-003:094

EXHIBIT "A"

Issuance of Revocable permit to Hawaii Preparatory Academy
TMK: (1) 2-2-003:094
PSF#06OD-020



Subject property. Facing Ewa on Prospect Street, Punchbowl.



Facing Northward from within the subject property. HPA's art gallery is behind the trees at left center.



Facing outward, towards Prospect Street.



ISAACS ART CENTER

INTRODUCTION

In September 2004, Hawai'i Preparatory Academy (HPA) opened the new Isaacs Art Center, an art gallery and museum, in a 1915 classroom building, the first Waimea Elementary and Intermediate School, grades 1-7. After careful restoration, the building is now on the State Register of Historic Places and under consideration for the National Register. The Historic Hawai'i Foundation presented the Isaacs Center Director, Bernard Noguès, with the 2003-2004 Preservation Honor Award in commendation for the conservation and preservation of this historic building.

Housed within is an art collection that also reflects Hawaiian history, from the contact artist (Encounters with Paradise) John Webber and artists of early Hawai'i, Louis Choris and Jacques Arago, to the Volcano School of Jules Tavernier and followers, Eduardo Scovell and D. Howard Hitchcock. Showcased in the galleries are works by major painters of 20th century modernism, Madge Tennent, Jean Charlot, Ben Norris, Shirley Russell, Emrich Nicholson, Louis Pohl, and Hon Chew Hee. The Art Center exhibits historic art from the European Renaissance (prints by Rembrandt van Rijn, Albrecht Durer, Jacob Ruisdael and others) and important 20th century Hawai'i landscape artists, Lionel Walden, Lloyd Sexton, Martha Greenwell, and Peter Hayward. The collection encompasses painting, prints, sculpture, furniture, porcelain, glass, jewelry, and artifacts both from Asia and the Pacific.

The Isaacs Art Center serves a dual purpose: 1) to provide educational opportunities in the visual arts for the school and community, and 2) to raise funds for the HPA Scholarship program. The Center is open to the public, Monday through Saturday, 10 a.m. to 5 p.m., and is located in proximity to HPA Village Campus, Parker School, Waimea Country Day School, Waimea Elementary and Middle Schools, as well as community preschools, charter schools, churches, and adult day care centers. It is staffed by the Director and founder, a half-time gallery assistant, a part-time art history faculty, and approximately 25 volunteer docents.

CURRENT EDUCATION PROGRAM

The HPA art gallery and museum provides information and education about the collection on a continuous basis during the hours of operation. Two docents are assigned to both the morning and afternoon shifts in order to inform visitors about the history, purpose, artwork, and biography of artists represented in the center. Based on the number of signatures in the guest book and other estimations, it is thought that between 2,500 and 3,000 visitors saw the collection during the period August 2004

EXHIBIT "C"

through August 2005. The recent Martha Greenwell Retrospective which ran from September 3rd to November 5th, attracted more than 1,000 people in two months. In addition, the Director and AP Art History faculty conduct guided tours for all interested groups from the school and community. The number of tour participants to date is estimated to be 350 students and 20 teachers and administrators.

Both HPA and Parker School faculty bring middle and high school Arts & Humanities, English, and History classes (estimated 280 students) to the center to study and sketch the art. Students are assigned essays, research papers, storyboards for plays, as well as fine art projects. The AP Art History course at HPA (open to eligible students in 10th, 11th, and 12th) schedules bimonthly visits for gallery exhibits, slide lectures, art research, and meetings with visiting artists and specialists in art restoration. Interested and qualified students serve as volunteer docents in the HPA Service Learning program. In addition, the Chairs of the HPA Performing Arts and Visual Arts departments are utilizing the center in their Masters' research programs. The Visual Arts chair is designing a gallery-based K-12 curriculum available for HPA and all community schools. The Performing Arts chair integrates gallery learning in freshman Humanities (estimated 90-100 students per year) and is currently writing a graduate paper on the historic paintings by Madge Tennent that anchor the collection.

FUTURE PLANS FOR SCHOOL AND COMMUNITY ART EDUCATION

The Center Director, Head Docent, and HPA Art History faculty provide periodic education sessions for interested docents in the pool of 25-30 volunteers. One of the lead docents is involved in outreach to the Big Island resorts to ensure that hotel guests know about the art center and the availability of guided tours of the collection. Scheduled tours for visitors from the resorts will be available weekly on Wednesdays and upon request. Tour information will be included on major websites serving the Waimea and Big Island visitor and arts communities.

Outreach to the Department of Education and to all Big Island schools will include brochures, art education syllabi, and personal contacts by the Art History faculty member. The 2001 legislation No Child Left Behind (Act 51 HRS) mandated "Art as a Core Subject." Art education opportunities and enrichment not only extend learning in the visual and fine arts, but also contribute to the Learner Outcomes (HCPS II) in all subjects requiring complex problem solving, visualization, critical and abstract thinking (Eliot Eisner, *Art in the Creation of the Mind*, Stanford University, 2000).

Total enrollment DOE schools in West Hawai'i alone is 11,341 students. This group would serve as our initial target group since they are most proximal to the Art Center. (Conversation with West Hawai'i District Office, 11/1/05)



AIR MAIL
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
HONOLULU 13, HAWAII

HON-EO-58-14

September 16, 1958

IN REPLY REFER TO
ROSF FL-103

A:R:OA/mg

Hawaii Preparatory Academy
Kamuela, Hawaii, T. H.

Gentlemen:

Your application for exemption from Federal income tax under the provisions of section 501(a) of the Internal Revenue Code of 1954, as an organization described in section 501(c)(3) of the Code, has been considered.

It is the determination of this office, based upon the evidence presented, that you are exempt from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954, as it is shown that you are organized and operated exclusively for educational purposes.

Accordingly, you are not required to file income tax returns unless you change the character of your organization, the purposes for which you were organized, or your method of operation. Any such changes should be reported immediately to the above District Director of Internal Revenue, in order that their effect upon your exempt status may be determined.

X It will not be necessary for you to file the annual return of information, Form 990 A, generally required of organizations exempt from Federal income tax under section 501(c)(3) of the Code, as you come within the specific exceptions contained in section 6033 (a) of the Code.

Contributions made to you are deductible by the donors in computing their taxable net income in the manner and to the extent provided by section 170 of the 1954 Code.

November 16, 1958

Bequests, legacies, devises, or transfers, to or for your use are deductible in computing the value of the net estate of a decedent for estate tax purposes in the manner and to the extent provided by sections 2055 and 2106 of the Internal Revenue Code of 1954.

Gifts of property to you are deductible in computing net gifts for gift tax purposes in the manner and to the extent provided by section 2522 of the Internal Revenue Code of 1954.

No liability is incurred by you for the taxes imposed under the Federal Insurance Contributions Act (social security taxes) unless you have filed a waiver of exemption certificate in accordance with the applicable provisions of such Act. In the event you desire social security coverage for your employees but have not filed a waiver certificate you should take the matter up with this office. Tax liability is not incurred by you under the Federal Unemployment Tax Act by virtue of section 3306(c)(8) of such Act.

Your attention is called to the provisions of section 501(c)(3) of the Internal Revenue Code of 1954 under which your exemption will be revoked if any substantial part of your activities consists of carrying on propaganda, or otherwise attempting, to influence legislation, or if you participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

It is important that any change in your mailing address be reported at once to the above District Director of Internal Revenue, attention: Chief, Collection Division.

This is a determination letter.

Very truly yours,

T. T. DeWolf
T. T. DeWolf

Acting Chief, Audit Division

Feed I.D.#

99-0078306